GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3381
ANSWERED ON:26.04.2007
LOSSES TO OIL COMPANIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether due to recent increase in international prices of crude oil the Oil Marketing Companies are suffering a loss of 30 to 35 paise per litre on the sale of petrol and diesel as reported in 'Dainik Jagaran' dated February 13, 2007;

(b) if so, the details thereof;

(c) the details of the losses suffered by oil marketing companies on the sale of diesel and petrol during the last two years as on date;

(d) whether the Government proposes to reduce the excise duty on crude oil;

(e) if so, the details thereof; and

(f) the details of the losses born by the Government due to subsidy given to Oil Marketing Companies on petrol, diesel, kerosene and LPG during the last three years?

Answer

Minister of the State in the Ministry of petroleum and natural gas (Shri Dinsha Patel)

(a)&(b) The desired increase in retail selling prices at Delhi is Rs.5.17 per litre for petrol and Rs.4.67 per litre for diesel based on refinery transfer price applicable for the second fortnight of April 2007.

(c) The details of the gross under-recoveries suffered by PSU oil marketing companies (OMCs) on the sale of diesel and petrol during the last two years are as follows:

Rs./Crore

Under-Recovery	2005-06 (Provisional)	2006-07 (Estimated)
Petrol	2723	1996
Diesel	12647	18732
Total	15370	20728

Gross under-recoveries without considering refinery discount, oil bonds and upstream assistance.

(d)&(e) There is no excise duty on crude oil. At present, a Cess is levied on crude oil and there is no proposal to reduce it.

(f) The Government provides subsidy from fiscal budget on domestic LPG and PDS Kerosene. The year-wise fiscal subsidy for the last three years is given as under:

Year	Rs./Crore
2003-04	6292.44
2004-05	2930.31
2005-06	2661.99

The Government has also issued oil bonds amounting to Rs.11500 crore during 2005-06 and Rs.24121 crore during 2006-07 to PSU OMCs towards under-recoveries suffered by them on the sale of sensitive petroleum products.